

SECTION 26—SUMMARY OF PERFORMANCE INFORMATION REQUIREMENTS

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Summary of Changes

This section compiles and links to guidance about the integration and use of performance information, including the statutory requirements of the Government Performance and Results Act (GPRA), the President's Management Agenda, and the use of the Program Assessment Rating Tool (PART).

26.1 What do I need to know about preparing a strategic plan?

Performance-based management and budgeting must begin with an overarching strategic plan. Such plans are already required by the Government Performance and Results Act (GPRA). Strategic plans require the agencies to define long-term strategic goals to carry out their mission, identify strategies for achieving them, and demonstrate sustained, coordinated efforts on reaching key goals.

You can find information on developing and revising strategic plans in [section 210](#).

26.2 Where can I find information about the President's Management Agenda?

The President's Management Agenda [http://www.whitehouse.gov/omb/budintegration/pma_index.html], published in August, 2001, consists of 5 cross-cutting initiatives and 9 agency-specific initiatives. The 5 cross-cutting initiatives are:

- Strategic Management of Human Capital;
- Competitive Sourcing;
- Improved Financial Performance;
- Expanded E-government; and
- Budget and Performance Integration.

For each of these initiatives, OMB prepares a quarterly scorecard consisting of red, yellow and green ratings, reflecting agency status and progress in meeting the standards for success for a given initiative.

You may access the current standards for success for each of the initiatives by clicking on the links in the table below.

Additional information for the initiatives can be found in:

Initiative	See A-11 section . . .	Additional links . . .
Strategic Management of Human Capital	31.11	http://www.results.gov/agenda/humancapital5-03.html http://www.results.gov/agenda/standards.pdf

Initiative	See A-11 section . . .	Additional links . . .
Competitive Sourcing	31.9	http://www.results.gov/agenda/competitivesourcing5-03.html http://www.results.gov/agenda/standards.pdf
Improved Financial Performance	52	http://www.results.gov/agenda/financialperformance5-03.html http://www.results.gov/agenda/standards.pdf
Expanded E-government	53, 300	http://www.results.gov/agenda/egov5-03.html http://www.results.gov/agenda/standards.pdf
Budget and Performance Integration	51, 85, 200, 210, 220, 230	http://www.results.gov/agenda/budgetperformance5-03.html http://www.results.gov/agenda/standards.pdf

26.3 What do I need to know about Performance Budgeting and the Budget and Performance Integration initiative?

- (a) *Integration of the annual performance plan and report into the performance budget and the Performance and Accountability Report*

The annual performance plan, aligned with the recently approved strategic plan and incorporating all actions identified in completed PARTS, should explain the planned activities for 2005, including those currently underway, that justify the agency's budget request. The agency's plan should be integrated into and form the basis of the agency's "performance budget" submission to OMB in September. You should modify the performance budget to reflect Administration decisions in your Congressional Justification to Congress in February. Because the legal requirements for an annual performance plan would be met by the performance budget, you should not submit a separate performance plan to comply with GPRA. See Sections 51 and 220 for details on how to prepare the performance budget justifications.

GPRA also requires an annual performance report, which for Cabinet Departments and nine independent agencies¹ will be fulfilled by the Performance and Accountability Report (PAR). The PAR also includes agency financial statements. All other agencies will submit an annual performance report. Additional guidance for the annual performance report is in Section 230.

- (b) *Use of the Performance Assessment Rating Tool (PART)*

For the FY 2004 Budget, OMB and the agencies began the process of systematic assessment of program performance using the Program Assessment Rating Tool (PART). This process is a permanent part of the budget development process in OMB and in the agencies. The PART consists of four sections:

- Program purpose and design;
- Strategic planning;
- Program management; and
- Program results/ accountability.

In FY 2005, OMB is expanding PART ratings to 40 percent of programs in order to assess their effectiveness and improve their performance. The PART process will be expanded each year until all programs have been assessed, with the PART eventually becoming the comprehensive vehicle to measure and assess program performance. The performance measures, effectiveness ratings, and planned actions to address weaknesses identified in the PART assessments should be included in your FY 2005

"performance budget" submissions to OMB and to the Congress. You may have additional and more detailed performance measures that are relevant for program managers or for other internal purposes. These additional detailed measures, while important for internal management, need not be reported in budget documents. If they are, they should be considered "supplemental," and must be consistent with the goals validated in the PART.

Instructions for preparing the PART can be found at www.whitehouse.gov/omb/part/bpm861.pdf

Budget information in PART summaries. For FY 2005, the PART worksheet includes spaces to enter the program funding level and to identify the composition of the funding; e.g. budget authority, spending authority from offsetting collections, obligation limitations, recoveries of prior year obligations, etc. To ensure a standard interpretation of "program funding level", the level and composition of funding entered should be defined as budgetary resources (see section 20).

Planning for PART assessments in future years. As part of your budget submission to OMB in September, please include a complete list of suggested programs to evaluate using the PART. You must use this [Excel template](#) to complete this list. Here are some general instructions:

- For FY 2004 and 2005, show the programs you have already evaluated. If programs were redefined, please note that and identify any overlap in funding.
- For FY 2006 through 2008, show the programs you propose be evaluated in each of these fiscal years.
- This program list should be comprehensive, covering the total funding for your agency.
- You should identify the accounts that finance the program.
- To the extent possible, you should identify the strategic goal and performance objective(s) to which each PART contributes.

(c) *Performance budget submission*

Your budget submission to OMB in September should be in the form of a "performance budget" to the greatest extent possible. A "performance budget" should include:

- A description of what you plan to accomplish, organized by strategic goal;
- Background on what you have accomplished;
- Performance targets for current and budget years and how you expect to achieve those targets; and
- What resources you are allocating in the current year and requesting in the budget year to achieve the targets.

For your agency's programs that have been evaluated by the PART for FY 2004 and FY 2005 budgets, the performance budget submission should include the performance measures and targets that were included in the PARTs. For other agency programs that have not been reviewed using the PART, the performance budget should include measures and targets consistent with the strategic plan goals and that meet the standard of the PART. These measures may be modified as those programs are assessed by the PART in the coming years.

You should identify programs or activities that are being undertaken with other agencies to achieve a common purpose or objective (i.e. interagency and cross-cutting programs). Some of these programs may be included in those areas where OMB is working to develop common measures. Where applicable, you should include common measures in your performance budget and in the PARTs.

Where possible, include the full cost of a program. In some cases, you may want to consider requesting budgetary resources to cover all indirect costs in the budget account or program activity that funds the program, and paying for all central services as they are used. In other cases, you may want to request appropriations for some central accounts providing support services; in these cases, you should include a table showing the full cost of resources used by each program, whether paid from its budget account or not.

Where possible, align budget accounts and program activity lines with programs or the components of the program that contribute to a single strategic goal or objective. Last year, agencies began to forge a much greater alignment between resources and performance. Where possible, you should attempt to align your budget accounts with the programs, distinguishing among components that contribute to different strategic goals. This should relate PARTs with budget accounts or sub-accounts. This process usually requires close consultation with appropriations committee staffs. Agencies should engage these staffs early and be prepared with strong justifications for planned changes.

In addition, when practical you should align program activities in the program and financing (P&F) schedule to correspond to the programs that will be evaluated by the PART.

Compliance with the Government Performance and Results Act. Your performance budget submitted in your congressional justifications will serve as your annual performance plan required by the Government Performance and Results Act (GPRA). You should consult with your congressional committees to ensure that they are aware of your plans to revise the format of your budget documents.

(d) *Performance and Accountability Report (PAR)*

The annual performance report required by GPRA included information on your actual performance and your progress in achieving the goals and objectives in your strategic plan. [OMB Bulletin 01-09](#) (September 25, 2001) on "Form and Content of Agency Financial Statements" requires 15 Cabinet departments and nine independent agencies¹ to combine the program performance report with the accountability report and to transmit a combined Performance and Accountability Report to the President, Congress, and OMB. The FY 2003 report should be transmitted not later than January 30, 2004.

For the FY 2004 budget, PART-approved program performance measures were included in the PART summaries (published in the *Performance and Management Assessments* volume). Over time, these tables will provide an overview of whether or not the program was successful in achieving its performance goals—the first requirement for the annual performance report—and should be included in the PAR. In addition, an explanation of why a performance goal was not met—the other past-year focused section of the performance report—should also be included in the PAR. Goals and explanations consistent with the strategic plan and previous performance reports should also be included in the PAR for programs not yet assessed by the PART.

Your performance budget submission (see (c) above) will include performance information for past years, and will thus fulfill some of the requirements of GPRA. More forward looking information and discussions required in the report (i.e., evaluating the performance plan for the current fiscal year; schedules for achieving the established performance goal; and, if the performance goal is impractical or infeasible, why that is the case and what action is recommended) are often sensitive components of the

President's Budget and should be included in the performance budget for the subsequent year and not included in the PAR.

(e) *Performance information in the Appendix*

In the past two years, some agencies used informational tables to show performance metrics for some of their accounts in the *Appendix*. As an upgrade to the informational tables used in the past, the FY 2005 Budget will include a schedule that shows performance metrics, particularly short-term outcomes that relate to long-term outcomes in the agency strategic plan, outputs, and output characteristics. The program and financing (P&F) schedule has also been changed for the FY 2005 Budget so you can relate performance metrics to obligations in the P&F. See [section 85](#) for further information.

(f) *Tracking PART programs in budget execution reports*

OMB has changed instructions for budget execution reporting to more readily allow agencies to report obligations for PART programs without using separate Category B projects to apportion these programs. Starting in FY 2004, you may report obligations for PART programs in your SF 133 Reports on Budget Execution and Budgetary Resources (see sections 120, 121, and 130).

¹Agency for International Development, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Nuclear Regulatory Commission, Office of Personnel Management, Small Business Administration, Social Security Administration

